

**Consolidated Income and Expenditure:
1 April to 31 July 2015 Actual and 2015/16 Forecast Outturn**
Report by Head of Finance

Summary:	This report provides the Committee with details of the actual income and expenditure for the four month period to 31 July 2015, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2016).
Recommendation:	Members are asked to decide whether to support the additional budget request in 2015/16 for both Hickling and Mutford Lock as set out in paragraph 6.2 and 7.1.

1 Introduction

- 1.1 Following on from member feedback there has been a slight change in presentation to the figures within this report. Colours have been removed and all figures are now in black. Where variances are reported brackets have been removed and replaced with a – /+. Where a variance has a – this means an adverse variance, and a + means a favourable variance. Budgeted and Actual Income still remain in brackets to be consistent with the presentation of the Financial Statement of Accounts.
- 1.2 In addition reserve expenditure has now been reflected within the Latest Available Budget (LAB) to help budget holders with the monitoring of their budgets. This expenditure is then offset within the Projects, Corporate Items and Contributions from Earmarked Reserves line.

2 Overview of Actual Income and Expenditure

Table 1 – Actual Consolidated I&E by Directorate to 31 July 2015

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(4,466,379)	(4,412,429)	– 53,951
Operations	1,309,027	1,246,031	+ 62,996
Planning and Resources	1,054,733	956,583	+ 98,150
Chief Executive	147,347	132,161	+ 15,186
Projects, Corporate Items and Contributions from Earmarked Reserves	(239,983)	(173,297)	– 66,686
Net (Surplus) / Deficit	(2,195,256)	(2,250,951)	+ 55,695

2.1 Core navigation income is behind of the profiled budget at the end of month four. The overall position as at 31 July 2015 is an adverse variance of £53,951 or 1.2% difference from the profiled LAB. This is principally due to:

- An overall adverse variance of £58,598 within toll income:
 - Hire Craft Tolls £57,559 below the profiled budget
 - Private Craft Tolls £3,749 above the profiled budget
- A favourable variance within Operations budgets relating to:
 - Construction and Maintenance salaries is under the profiled budget by £10,174 due to staff vacancies
 - Equipment, Vehicle and Vessels is under the profiled budget by £28,617 due to timing differences between the profiled budget and actual receipt of the Linkflote and 3rd Wherry invoices
 - Water Management is under the profiled budget by £26,767 due to timing differences between the profiled budget and actual receipt of invoices
 - Land Management is above the profiled budget by £25,926 due to delayed income for the HLS
 - Practical Maintenance is under the profiled budget by £39,374 in part due to timing differences between the profiled budget and actual receipt of the Turntide Jetty works invoices. This is partly offset by the Mutford Lock spend (see section 7 of this report for further details)
- A favourable variance within Planning and Resources budgets relating to:
 - Development Management is under profiled budget by £46,514 due to additional income being received for Section 106 agreements.
 - Strategy and Projects is over profiled budget by £15,124 due to timing differences on income
 - Project Funding is under profiled budget by £16,969 due to timing differences on the receipt of income and expenditure
 - Visitor Centres and Yacht Stations is under profiled budget by £26,624 due to variances within income, salaries and expenditure
- A favourable variance within Chief Executive budgets relating to:
 - Staff Training is under profiled expenditure by £13,140 due to the additional income received from hosting the SNPS conference. This variance will reduce as the invoices are received and the surplus funds paid over to SNPS
- An adverse variance within Projects, Corporate Items and Contributions from Earmarked reserves. This relates entirely to expenditure from Earmarked reserves:
 - Plant, Vessels and Equipment reserve is behind profiled expenditure due to delayed billing for the Linkflotes and the 3rd Wherry. An overall variance of £37,885
 - The Section 106 agreement reserve did not have a budget set as it is difficult to predict when these agreements will arise, this has resulted in a variance of £31,666

2.2 The charts at Appendix 1 provide a visual overview of actual income and expenditure compared with both the original budget and the LAB.

3 Latest Available Budget

- 3.1 The Authority's income and expenditure is being monitored against a latest available budget (LAB) in 2015/16. The LAB is based on the original budget for the year, with adjustments for known and approved budget changes such as carry-forwards and budget virements. Details of the movements from the original budget are set out in Appendix 2.

Table 2 – Adjustments to Consolidated LAB

	Ref	£
Original budget 2015/16 – surplus	Item 12 23/01/15 (BA)	(139,421)
Approved budget carry-forwards	10/07/15 Item 11 (BA)	54,337
LAB at 31 July 2015 – surplus		(85,084)

- 3.2 Taking account of the budget adjustments, the LAB therefore provides for a consolidated surplus of £85,084 in 2015/16 as at 31 July 2015.

4 Overview of Forecast Outturn 2015/16

- 4.1 Budget holders have been asked to comment on the expected expenditure at the end of the financial year in respect of all the budget lines for which they are responsible. These forecast outturn figures should be seen as estimates and they will be refined and clarified through the financial year.

- 4.2 As at the end of July 2015, the forecast outturn indicates:

- The total forecast income is £6,208,160, or £32,472 behind the LAB.
- Total expenditure is forecast to be £6,160,681.
- The resulting surplus for the year is forecast to be £47,479.

- 4.3 The forecast outturn expenditure takes account of adjustments to the LAB and in addition reflects the changes shown in Table 3. The forecast surplus represents an adverse variance of £37,605 against the LAB.

Table 3 – Adjustments to Forecast Outturn

Item	£
Forecast outturn surplus per LAB	(85,084)
Increase in Private Craft Income	(5,685)
Decrease in Hire Craft Income	23,157
Decrease in Interest Income	15,000
Increase in Waterways Strategy expenditure	5,133

Forecast outturn surplus as at 31 July 2015	(47,479)
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- 4.4 The main reason for the difference between the forecast outturn and the LAB is the change in predictions for navigation toll income and interest, which are based on the latest actual income figures and show a net overall decrease of £32,472 in forecast toll and interest income for the year.

5 Reserves

Table 4 – Consolidated Earmarked Reserves

	Balance at 1 April 2015	In-year movements	Current reserve balance
	£	£	£
Property	(586,757)	81,607	(505,150)
Plant, Vessels and Equipment	(240,790)	59,515	(181,275)
Premises	(169,930)	(7,500)	(177,430)
Planning Delivery Grant	(353,676)	18,123	(335,554)
Mobile Phone Upgrade	(469)	469	-
Upper Thurne Enhancement	(53,285)	-	(53,285)
Section 106	(16,652)	(31,666)	(48,318)
PRISMA	(171,869)	14,899	(156,970)
Total	(1,593,427)	135,446	(1,457,981)

- 5.1 £824,597 of the current reserve balance relates to navigation reserves.

6 Hickling

- 6.1 Last October the Navigation committee was asked to consider whether to raise Tolls to generate sufficient income to fund works on Hickling Broad. The project was still in development and the committee recommended a 1.7% increase in Tolls without making any provision for Hickling. This recommendation was accepted by the Broads Authority.
- 6.2 Considerable progress has been made this year in developing the proposed enhancement scheme for Hickling but there is no financial provision in this year's budget to pursue the strategic objective. To take the project forward £34,500 is required, however savings made elsewhere reduces this figure to £21,000.
- 6.3 If members approve this additional expenditure this would mean that the forecast would reduce further to a £26,479 surplus. This would affect the year end position of the Navigation reserve which would result in a year end reserve of £272,242 before yearend adjustments. This would mean that the Navigation reserve balance would see a reduction and would fall below the 10% recommended minimum to 9.1%.

- 6.4 Funding additional expenditure out of the Navigation reserve is not sustainable in the long run without making savings or increasing income or a change in reserve policy. There is not an opportunity in 2015/16 to make additional savings elsewhere due to expenditure already being committed. The Hickling project may also require contributions in 2016/17 and 2017/18 of up to £60,000 (50% National Park/50% Navigation) which are not reflected in the current Financial Strategy.
- 6.5 Financial Scrutiny and Audit on 22 September 2015 started to consider a possible change in the reserves policy. A verbal update will be provided to the committee.

7 Mutford Lock

- 7.1 When the budget was originally set it was unknown the extent of the repairs that Mutford Lock would require without further investigation so the expenditure from the reserve was set as zero. However a clearer idea of works required is now known and it is proposed that an additional £87,220 will be required from the reserve. This covers the £31,220 already spent relating to the gate failure and urgent repairs and the £56,000 required later on in the year for additional non-routine maintenance works. This additional spend will not affect the year end position on the Navigation reserve as it will be fully funded from the Property reserve which contains provision for Mutford Lock. It is predicted that the proportion relating specifically to Mutford would stand at £262,327 at the end of March 2016.

8 Summary

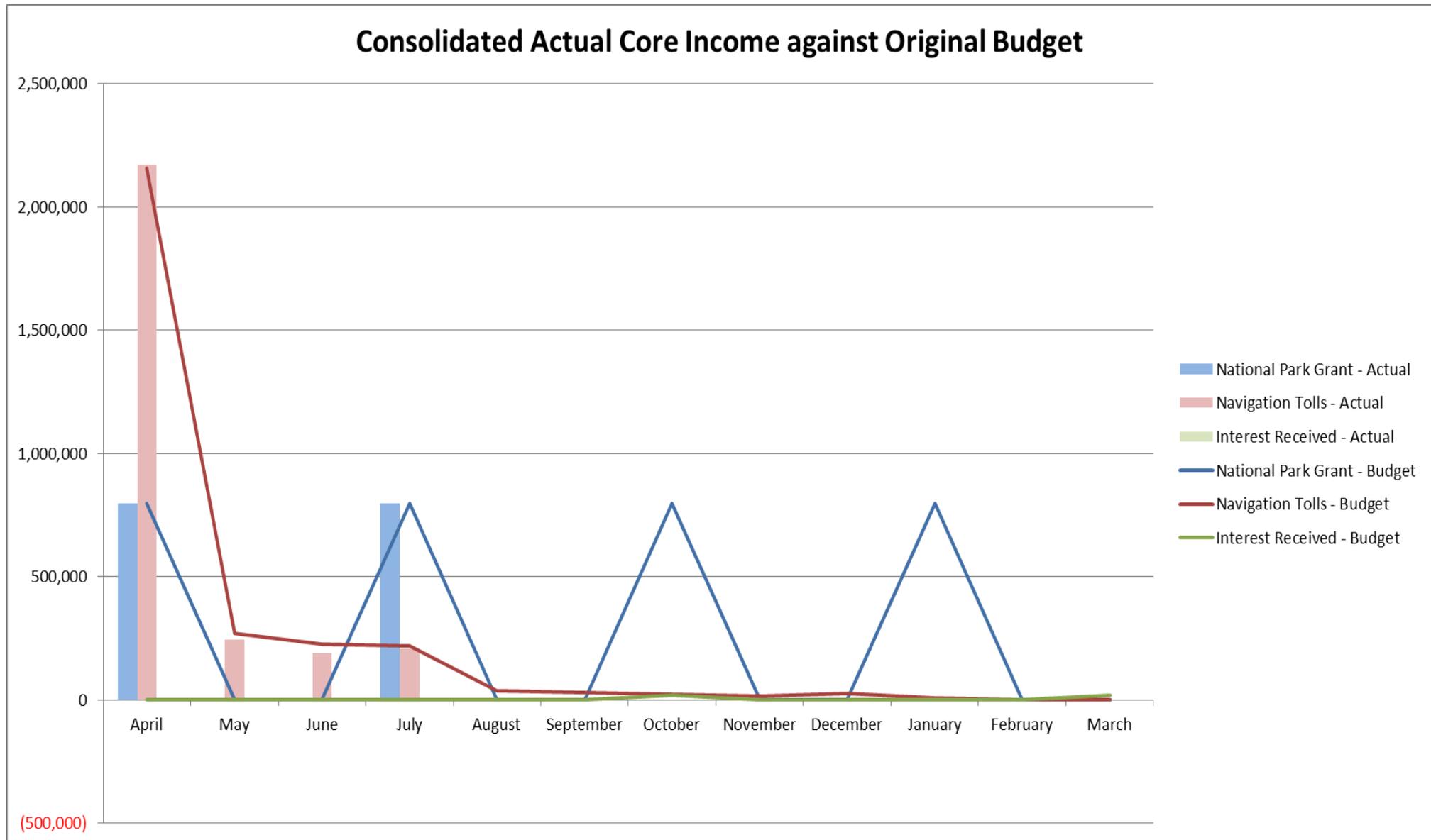
- 8.1 The current forecast outturn position for the year suggests a surplus of £34,375 for the national park side and a surplus of £13,104 on navigation resulting in an overall surplus of £47,479 within the consolidated budget, which would indicate a general fund reserve balance of approximately £988,000 and a navigation reserve balance of approximately £293,000 at the end of 2015/16. This will mean that the navigation reserve will fall slightly below the recommended level of 10% of net expenditure during 2015/16. .

Background papers: None

Author: Emma Krelle
Date of report: 10 September 2015

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Consolidated Actual Income and Expenditure Charts to 31 July 2015
APPENDIX 2: Financial Monitor: Consolidated Income and Expenditure 2015/16



Consolidated Net Actual Expenditure against Original and Latest Budget



To 31 July 2015

Budget Holder (All)

Values					
Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(6,240,632)		(6,240,632)	(6,208,160)	- 32,472
National Park Grant	(3,188,952)		(3,188,952)	(3,188,952)	+ 0
Income	(3,188,952)		(3,188,952)	(3,188,952)	+ 0
Hire Craft Tolls	(1,090,525)		(1,090,525)	(1,067,368)	- 23,157
Income	(1,090,525)		(1,090,525)	(1,067,368)	- 23,157
Private Craft Tolls	(1,869,042)		(1,869,042)	(1,874,727)	+ 5,685
Income	(1,869,042)		(1,869,042)	(1,874,727)	+ 5,685
Short Visit Tolls	(38,363)		(38,363)	(38,363)	+ 0
Income	(38,363)		(38,363)	(38,363)	+ 0
Other Toll Income	(18,750)		(18,750)	(18,750)	+ 0
Income	(18,750)		(18,750)	(18,750)	+ 0
Interest	(35,000)		(35,000)	(20,000)	- 15,000
Income	(35,000)		(35,000)	(20,000)	- 15,000
Operations	3,574,751	0	3,574,751	3,574,751	+ 0
Construction and Maintenance Salaries	1,088,740		1,088,740	1,088,740	+ 0
Salaries	1,088,740		1,088,740	1,088,740	+ 0
Expenditure			0		+ 0
Equipment, Vehicles & Vessels	631,500	(7,700)	623,800	623,800	+ 0
Income			0		+ 0
Expenditure	631,500	(7,700)	623,800	623,800	+ 0
Water Management	172,500	7,700	180,200	180,200	+ 0
Expenditure	172,500	7,700	180,200	180,200	+ 0
Land Management	(33,500)		(33,500)	(33,500)	+ 0
Income	(90,000)		(90,000)	(90,000)	+ 0
Expenditure	56,500		56,500	56,500	+ 0
Practical Maintenance	459,200		459,200	459,200	+ 0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(7,000)		(7,000)	(7,000)	+ 0
Expenditure	466,200		466,200	466,200	+ 0
Ranger Services	736,910		736,910	736,910	+ 0
Income	(35,000)		(35,000)	(35,000)	+ 0
Salaries	578,910		578,910	578,910	+ 0
Expenditure	193,000		193,000	193,000	+ 0
Pension Payments			0		+ 0
Safety	80,918		80,918	80,918	+ 0
Income	(9,000)		(9,000)	(9,000)	+ 0
Salaries	57,918		57,918	57,918	+ 0
Expenditure	32,000		32,000	32,000	+ 0
Asset Management	108,780		108,780	108,780	+ 0
Income	(1,000)		(1,000)	(1,000)	+ 0
Salaries	39,030		39,030	39,030	+ 0
Expenditure	70,750		70,750	70,750	+ 0
Volunteers	64,670		64,670	64,670	+ 0
Income	(1,000)		(1,000)	(1,000)	+ 0
Salaries	43,670		43,670	43,670	+ 0
Expenditure	22,000		22,000	22,000	+ 0
Premises	137,503		137,503	137,503	+ 0
Income	(10,667)		(10,667)	(10,667)	+ 0
Expenditure	148,170		148,170	148,170	+ 0
Operations Management and Administration	127,530		127,530	127,530	+ 0
Salaries	115,030		115,030	115,030	+ 0
Expenditure	12,500		12,500	12,500	+ 0
Planning and Resources	2,510,920	162,337	2,673,257	2,678,390	- 5,133
Development Management	241,882		241,882	241,882	+ 0
Income	(60,000)		(60,000)	(60,000)	+ 0
Salaries	276,882		276,882	276,882	+ 0
Expenditure	25,000		25,000	25,000	+ 0
Pension Payments			0		+ 0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Strategy and Projects Salaries	194,380	81,000	275,380	275,380	+ 0
Income	(32,500)	18,000	(14,500)	(14,500)	+ 0
Salaries	204,880	0	204,880	204,880	+ 0
Expenditure	22,000	63,000	85,000	85,000	+ 0
Biodiversity Strategy	0	2,300	2,300	2,300	+ 0
Income	(10,000)		(10,000)	(10,000)	+ 0
Expenditure	10,000	2,300	12,300	12,300	+ 0
Strategy and Projects	69,780	19,037	88,817	88,817	+ 0
Income	0	(18,000)	(18,000)	(18,000)	0
Salaries	36,280	22,037	58,317	58,317	+ 0
Expenditure	33,500	15,000	48,500	48,500	+ 0
Legal	2,000		2,000	2,000	+ 0
Expenditure	2,000		2,000	2,000	+ 0
Waterways and Recreation Strategy	77,820		77,820	82,953	- 5,133
Salaries	68,320		68,320	68,320	+ 0
Expenditure	9,500		9,500	14,633	- 5,133
Project Funding	147,060		147,060	147,060	+ 0
Income	(19,000)		(19,000)	(19,000)	+ 0
Salaries	41,560		41,560	41,560	+ 0
Expenditure	124,500		124,500	124,500	+ 0
Pension Payments			0		+ 0
Partnerships / HLF	50,000		50,000	50,000	+ 0
Expenditure	50,000		50,000	50,000	+ 0
Finance and Insurance	330,920		330,920	330,920	+ 0
Income			0		0
Salaries	130,920		130,920	130,920	+ 0
Expenditure	200,000		200,000	200,000	+ 0
Communications	259,830	30,000	289,830	289,830	+ 0
Income			0		+ 0
Salaries	187,830		187,830	187,830	+ 0
Expenditure	72,000	30,000	102,000	102,000	+ 0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Visitor Centres and Yacht Stations	238,020		238,020	238,020	+ 0
Income	(218,000)		(218,000)	(218,000)	+ 0
Salaries	326,520		326,520	326,520	+ 0
Expenditure	129,500		129,500	129,500	+ 0
Collection of Tolls	116,740		116,740	116,740	+ 0
Salaries	104,040		104,040	104,040	+ 0
Expenditure	12,700		12,700	12,700	+ 0
ICT	289,380	30,000	319,380	319,380	+ 0
Salaries	132,680		132,680	132,680	+ 0
Expenditure	156,700	30,000	186,700	186,700	+ 0
Premises - Head Office	254,548		254,548	254,548	+ 0
Expenditure	254,548		254,548	254,548	+ 0
Planning and Resources Management and Administration	238,560		238,560	238,560	+ 0
Income			0		+ 0
Salaries	128,360		128,360	128,360	+ 0
Expenditure	110,200		110,200	110,200	+ 0
Chief Executive	440,040		440,040	440,040	+ 0
Human Resources	111,530		111,530	111,530	+ 0
Income			0		+ 0
Salaries	52,030		52,030	52,030	+ 0
Expenditure	59,500		59,500	59,500	+ 0
Legal	107,260		107,260	107,260	0
Income			0		0
Salaries	47,260		47,260	47,260	0
Expenditure	60,000		60,000	60,000	0
Governance	119,790		119,790	119,790	+ 0
Salaries	65,590		65,590	65,590	+ 0
Expenditure	54,200		54,200	54,200	+ 0
Chief Executive	101,460		101,460	101,460	+ 0
Salaries	101,460		101,460	101,460	+ 0
Expenditure			0		+ 0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Projects and Corporate Items	112,000		112,000	112,000	+ 0
PRISMA			0		+ 0
Expenditure			0		+ 0
Corporate Items	112,000		112,000	112,000	+ 0
Pension Payments	112,000		112,000	112,000	+ 0
Contributions from Earmarked Reserves	(536,500)	(108,000)	(644,500)	(644,500)	+ 0
Earmarked Reserves	(536,500)	(108,000)	(644,500)	(644,500)	+ 0
Expenditure	(536,500)	(108,000)	(644,500)	(644,500)	+ 0
Grand Total	(139,421)	54,337	(85,084)	(47,479)	- 37,605